

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF VIRGINIA
Alexandria Division

In re:)	
)	
TK SERVICES, INC. ,)	Case No. 14-11062-BFK
)	Chapter 11
Debtor.)	
_____)	
)	
TK SERVICES, INC.)	
1000 Bernard Street)	
Alexandria, VA 22314,)	
)	ADVERSARY No. 15-01168
Plaintiff,)	
)	
v.)	
)	
PALM NATIONAL PARTNERS, LLC.,)	
120 W. 45 th Street, 29 th Floor.)	
New York, NY 10036)	
SERVE: Corporation Service Company)	
Registered Agent)	
111 E. Main St., 16 th Floor)	
Richmond, VA 23219)	
)	
Defendant.)	
_____)	

AMENDED COMPLAINT TO AVOID PREFERENTIAL TRANSFERS

COMES NOW DEBTOR/Plaintiff, TK Services, Inc. (TK”), through counsel, and states the following as and its complaint against Defendant, Palm National Partners, LLC (“Palm”):

1. TK filed its petition for relief under Chapter 11 of Title 11 of the US Code on March 23, 2014. This Court has jurisdiction under 28 USC § 1334. This adversary case is a core proceeding under 28 USC § 157(b)(1).

2. TK is a corporation organized under the laws of the Commonwealth of Virginia and conducts its business as Debtor-in-Possession with authority under 11 USC 1107 to bring this action as trustee of Debtor's Chapter 11 estate.

3. Palm is a domestic limited liability company organized under the laws of the state of New York with authority to do business in this Commonwealth.

COUNT I

4. Between December 23, 2013 and March 17, 2014, TK made approximately fifty-six ACH transfers from its bank account to Palm's account in the total amount of \$102,628.90 (collectively the "Transfers"). A list of the Transfers is attached hereto as an exhibit.

5. The Transfers were on account of an antecedent indebtedness of TK to Palm and were made at a time when TK was insolvent.

6. The Transfers enabled Palm to receive on account of the referenced indebtedness of TK to Palm more than Palm would receive had TK not made the Transfers and had Palm received the distribution to which Palm would have been entitled in a Chapter 7 liquidation proceeding

COUNT II

7. TK realleges paragraphs 1-6 as though they were fully set forth herein.

8. On or about December 28, 2013, TK, by and through its President, Joseph E. Kim, executed a certain "Asset Sale and Purchase Agreement", under which TK purported to convey to Palm title to certain motor vehicles and to other items of

personal property. Said Joseph E. Kim also executed a certain “Lease Agreement”, pursuant to which TK purported to lease back the personal property from Palm.

9. On or about February 10, 2014, the Virginia Department of Motor Vehicles issued certificates of titles for the motor vehicles purportedly transferred under the above-referenced “Asset Sale and Purchase Agreement”. Each of the new certificates did not make any change in the title to the motor vehicle but inserted Palm as the “Lienholder”

10. The purported December 28, 2013 sale of TK’s personal property may have constituted a transfer of TK’s assets. The February 10, 2014 listing on the title of various motor vehicles may have perfected a lien on those vehicles. Any such property transfer or lien perfection would have taken place within 90 days prior to the filing of the Petition for Relief in the above captioned bankruptcy case.

11. Any such property transfer and/or lien perfection was made on account of an antecedent indebtedness of TK to Palm and was made at a time when TK was insolvent.

12. The above- referenced property transfers, if valid and unless avoided, will enable Palm to receive, on account of the indebtedness of TK to the Palm, more than Palm would have received had such transfer not been made and had the Palm received the distribution to which it would have been entitled in a Chapter 7 proceeding.

WHEREFORE, for the reasons set forth above TK respectfully requests that this Court enter an order providing the following relief:

1. As to Count I, requiring Defendant Palm National Partners LLC to pay over to TK the sum of \$134,202.13 transferred to Defendant as set forth above.
2. As to Count II, declaring the above-referenced transfers of motor vehicles and interests therein to be void as preferential transfers.
3. Such other and additional relief as this Court deems appropriate.

/s/ Christopher S. Moffitt
Christopher S. Moffitt #18195
218 North Lee Street
Alexandria, Virginia 22314
(703) 683-0075

Counsel for Plaintiff

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 23rd day of December, 2015, copies of the foregoing documents were mailed first class to:

Palm National Partners, LLC
120 W. 45th Street, 29th Floor.
New York, NY 10036

Palm National Partners, LLC
c/o Corporation Service Company, LLC, Registered Agent
111 East Main Street, 16th Floor
Richmond, VA 23219

Trevor B. Reid, Esq.
6802 Paragon Place
Suite 300
Richmond, VA 23230

/s/ Christopher S. Moffitt

Type	Date	Num	Name	Memo	Account	Amount
Check	12/23/2013	ACH	Palm	#45	1052 · Cong. Bank - A/R, A/P	-2,206.65
Check	12/24/2013	ACH	Palm	#46	1052 · Cong. Bank - A/R, A/P	-2,206.65
Check	12/26/2013	ACH	Palm	#47	1052 · Cong. Bank - A/R, A/P	-2,206.65
Check	12/27/2013	ACH	Palm	#48	1052 · Cong. Bank - A/R, A/P	-2,206.65
Check	12/30/2013	ACH	Palm	#49	1052 · Cong. Bank - A/R, A/P	-2,206.65
Check	12/31/2013	ACH	Palm	#50	1052 · Cong. Bank - A/R, A/P	-2,206.65
Check	01/02/2014	ACH	Palm	#1	1052 · Cong. Bank - A/R, A/P	-1,787.78
Check	01/03/2014	ACH	Palm	#2	1052 · Cong. Bank - A/R, A/P	-1,787.78
Check	01/06/2014	ACH	Palm	#3	1052 · Cong. Bank - A/R, A/P	-1,787.78
Check	01/07/2014	ACH	Palm	#4	1052 · Cong. Bank - A/R, A/P	-1,787.78
Check	01/08/2014	ACH	Palm	#5	1052 · Cong. Bank - A/R, A/P	-1,787.78
Check	01/09/2014	ACH	Palm	#6	1052 · Cong. Bank - A/R, A/P	-1,787.78
Check	01/10/2014	ACH	Palm	#7	1052 · Cong. Bank - A/R, A/P	-1,787.78
Check	01/13/2014	ACH	Palm	#8	1052 · Cong. Bank - A/R, A/P	-1,787.78
Check	01/14/2014	ACH	Palm	#9	1052 · Cong. Bank - A/R, A/P	-1,787.78
Check	01/15/2014	ACH	Palm	#10	1052 · Cong. Bank - A/R, A/P	-1,787.78
Check	01/16/2014	ACH	Palm	#11	1052 · Cong. Bank - A/R, A/P	-1,787.78
Check	01/17/2014	ACH	Palm	#12	1052 · Cong. Bank - A/R, A/P	-1,787.78
Check	01/21/2014	ACH	Palm	#13	1052 · Cong. Bank - A/R, A/P	-1,787.78
Check	01/22/2014	ACH	Palm	#14	1052 · Cong. Bank - A/R, A/P	-1,787.78
Check	01/23/2014	ACH	Palm	#15	1052 · Cong. Bank - A/R, A/P	-1,787.78
Check	01/24/2014	ACH	Palm	#16	1052 · Cong. Bank - A/R, A/P	-1,787.78
Check	01/27/2014	ACH	Palm	#17	1052 · Cong. Bank - A/R, A/P	-1,787.78
Check	01/28/2014	ACH	Palm	#18	1052 · Cong. Bank - A/R, A/P	-1,787.78
Check	01/29/2014	ACH	Palm	#19	1052 · Cong. Bank - A/R, A/P	-1,787.78
Check	01/30/2014	ACH	Palm	#20	1052 · Cong. Bank - A/R, A/P	-1,787.78
Check	01/31/2014	ACH	Palm	#21	1052 · Cong. Bank - A/R, A/P	-1,787.78
Check	02/03/2014	ACH	Palm	#22	1052 · Cong. Bank - A/R, A/P	-1,787.78
Check	02/04/2014	ACH	Palm	#23	1052 · Cong. Bank - A/R, A/P	-1,787.78
Check	02/05/2014	ACH	Palm	#24	1052 · Cong. Bank - A/R, A/P	-1,787.78
Check	02/06/2014	ACH	Palm	#25	1052 · Cong. Bank - A/R, A/P	-1,787.78
Check	02/07/2014	ACH	Palm	#26	1052 · Cong. Bank - A/R, A/P	-1,787.78
Check	02/10/2014	ACH	Palm	#27	1052 · Cong. Bank - A/R, A/P	-1,787.78
Check	02/11/2014	ACH	Palm	#28	1052 · Cong. Bank - A/R, A/P	-1,787.78
Check	02/12/2014	ACH	Palm	#29	1052 · Cong. Bank - A/R, A/P	-1,787.78
Check	02/13/2014	ACH	Palm	#30	1052 · Cong. Bank - A/R, A/P	-1,787.78
Check	02/14/2014	ACH	Palm	#31	1052 · Cong. Bank - A/R, A/P	-1,787.78
Check	02/18/2014	ACH	Palm	#32	1052 · Cong. Bank - A/R, A/P	-1,787.78
Check	02/19/2014	ACH	Palm	#33	1052 · Cong. Bank - A/R, A/P	-1,787.78
Check	02/20/2014	ACH	Palm	#34	1052 · Cong. Bank - A/R, A/P	-1,787.78
Check	02/21/2014	ACH	Palm	#35	1052 · Cong. Bank - A/R, A/P	-1,787.78
Check	02/24/2014	ACH	Palm	#36	1052 · Cong. Bank - A/R, A/P	-1,787.78
Check	02/25/2014	ACH	Palm	#37	1052 · Cong. Bank - A/R, A/P	-1,787.78
Check	02/26/2014	ACH	Palm	#38	1052 · Cong. Bank - A/R, A/P	-1,787.78
Check	02/27/2014	ACH	Palm	#39	1052 · Cong. Bank - A/R, A/P	-1,787.78

All Transactions

Type	Date	Num	Name	Memo	Account	Amount
Check	02/28/2014	ACH	Palm	#40	1052 · Cong. Bank - A/R, A/P	-1,787.78
Check	03/03/2014	ACH	Palm	#41	1052 · Cong. Bank - A/R, A/P	-1,787.78
Check	03/04/2014	ACH	Palm	#42	1052 · Cong. Bank - A/R, A/P	-1,787.78
Check	03/05/2014	ACH	Palm	#43	1052 · Cong. Bank - A/R, A/P	-1,787.78
Check	03/06/2014	ACH	Palm	#44	1052 · Cong. Bank - A/R, A/P	-1,787.78
Check	03/07/2014	ACH	Palm	#45	1052 · Cong. Bank - A/R, A/P	-1,787.78
Check	03/10/2014	ACH	Palm	#47	1052 · Cong. Bank - A/R, A/P	-1,787.78
Check	03/11/2014	ACH	Palm	#47	1052 · Cong. Bank - A/R, A/P	-1,787.78
Check	03/12/2014	ACH	Palm	#48	1052 · Cong. Bank - A/R, A/P	-1,787.78
Check	03/13/2014	ACH	Palm	#49	1052 · Cong. Bank - A/R, A/P	-1,787.78
Check	03/17/2014	ACH	Palm	#50	1052 · Cong. Bank - A/R, A/P	-1,787.78
Total						-102,628.90